

PRELIMINARY STATEMENT - PART VI - MEMORANDUM ACCOUNT
INFRASTRUCTURE INVESTMENT AND JOBS ACT
MEMORANDUM ACCOUNT (IIJAMA)

Sheet 1

1. Purpose

The IIJAMA is an interest-bearing memorandum account that is recorded on the Utility’s financial statements. Pursuant to Resolution E-5254, dated April 6, 2023, the California Public Utilities Commission (Commission) authorized the framework and procedures as to how the Electric and Gas Investor-Owned Utility (IOUs) should seek cost recovery for projects seeking and/or awarded funding received from the federal Infrastructure Investment and Jobs Act (IIJA) Clean Energy Infrastructure Grants Programs administered by the US Department of Energy (DOE), the federal Inflation Reduction Act (IRA), and the federal Creating Helpful Incentives to Produce Semiconductors and Science Act (CHIPS), as well as related tax liabilities. The IIJAMA may also track costs to apply for federal funding (e.g., grant awards, loans, or others program funds) and taxes for those awards. The resolution also adopts an advice letter process for IOUs to track and report costs and grant project progress.

The purpose of the IIJAMA is to record incremental costs for any projects seeking and/or awarded federal funding, including incremental costs incurred during the development and preparation of applications for such funding. In addition, the IIJAMA will record the tax impacts of the federal funding, which should include not only the tax liabilities related to those federal fundings, but also related tax benefits such as the impact of depreciation.

The IIJAMA shall consist of two subaccounts:

- 1) IIJA Cost Subaccount – This Subaccount will record incremental costs for any projects seeking and/or awarded federal funding.
- 2) IIJA Tax Subaccount – This Subaccount will record the tax impacts of the federal funding.

2. Applicability

The IIJAMA shall apply to all customers except those specifically excluded by the Commission.

3. Rates

The IIJAMA shall be applied to rates as described in the Disposition section below.

4. Accounting Procedures – IIJA Cost Subaccount

SoCalGas shall maintain the IIJA Cost Subaccount by recording entries at the end of each month as follows, net of FF&U, where applicable:

- a. A debit entry equal to the actual incremental operation and maintenance (O&M) costs and capital-related costs (i.e., depreciation, taxes, and return) for any projects seeking and/or awarded federal funding, including incremental costs incurred for the development and preparation of applications for such funding;
- b. An entry to amortize the balance in this Subaccount as authorized by the Commission; and
- c. An entry equal to the interest on the average balance in this Subaccount at the beginning of the

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(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 6181-G
DECISION NO.

ISSUED BY
Dan Skopec
Sr Vice President Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
SUBMITTED Aug 29, 2023
EFFECTIVE Sep 28, 2023
RESOLUTION NO. E-5254

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Sheet 2

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4. Accounting Procedures – IIJA Cost Subaccount (Continued)

month and the balance after the entries above at a rate equal to 1/12 of the interest rate on three-month nonfinancial Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor publication.

5. Accounting Procedures – IIJA Tax Subaccount

SoCalGas shall maintain the IIJA Tax Subaccount by recording entries at the end of each month as follows, net of FF&U, where applicable:

- a. A debit or credit entry equal to the tax impacts of the federal funding, including any related tax benefits;
- b. An entry to amortize the balance in this Subaccount as authorized by the Commission; and
- c. An entry equal to the interest on the average balance in this Subaccount at the beginning of the month and the balance after the entries above at a rate equal to 1/12 of the interest rate on three-month nonfinancial Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor publication.

6. Disposition

The disposition of the balance in the IIJAMA will be addressed in SoCalGas next general rate case or other applicable proceeding.

(TO BE INSERTED BY UTILITY)

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